



TEMPLATE

Unit Owner HO-6 Insurance Recommendation & Insurance Claims vs. Maintenance or Potential Negligence

Re: Unit Owner Insurance Recommendation / Maintenance vs Potential Negligence

Dear Association Owner,

This letter is being provided by the association to outline the importance for unit owners to carry individual insurance (HO-6 Insurance Policy). Please note, unit owners are responsible for replacement of items set forth in Florida Statute 718, regardless if you carry insurance for your unit or choose to self-insure. Because of this <Association Name> highly recommends ALL unit owners carry insurance for their unit. This letter will also assist you in understanding the difference between an Insurance Claim vs. Normal Maintenance or Potential Negligence and the importance of keeping items in your unit updated.

What constitutes an Insurance Claim?

Insurance Claim is when a "Sudden and Accidental Hazard Event" Occurs Resulting in an Insurable Loss" (Acts of God). For Insurance Claims, Florida 718 Statute outlines Insuring Responsibilities between the Association and Unit Owners (see attached checklist). Regardless of where the claim originated, each party affected (association and/or unit owner's) are responsible for insuring and repairing/replacing their damaged property.

What constitutes Normal Property Maintenance Upkeep?

Maintenance Upkeep is simply when property has failed, not because of any "Event", but instead has deteriorated over time by normal wear and tear and used to the point that it needs to be repaired or replaced, or was not properly installed or maintained causing continuous leaks or defects. When this occurs the unit-owner is responsible for the replacement of these items.

Examples of items owners are responsible for the maintenance, upkeep, repair or replacement of...

- AC Systems (Exterior and Interior including Air Handlers, Ducts and Compressors servicing a single unit)
- Windows
- Doors
- Hot water heaters
- Appliances
- Unit Floor & Wall Coverings
- Kitchen & Bathroom Fixtures (Counter Tops, Cabinets, Tubs, Showers, Sinks)
- Personal Property

What constitutes Potential Negligence?

Damage caused by Negligence, Intentional Conduct or Failure to Comply with Association Rules:

NOTICE: It is important for unit owners to maintain their units, make normal updates and not let items in your unit go past their normal usage period.... *Examples: Leaks or Bursts that cause damage from items such as Hot Water Heaters, Washing Machines, HVAC System, Sinks, Showers, Tubs or Toilets that are in poor condition and have not been replaced and/or updated past their normal usage period or lack of unit maintenance and notification to the association of potential issues such as leaks and bursts due to extended periods of owner absence ... The unit owner is responsible. According to 718.111* If damage to the condominium property is caused by homeowner negligence, intentional conduction or failure to comply with the rules of the association, the homeowner is responsible for repairing ALL portions of the damaged condominium property not covered by insurance proceeds. Further, according to 718.111(11)(g), when a homeowner is determined by the association to meet the criteria listed in paragraph (j), the association may complete the repair work to the condominium property (excluding the personal property of the homeowners) and charge the cost of the work to the homeowner. If the homeowner fails to pay, the association may collect the cost as if it were an assessment. The homeowners that have sustained damage to their personal property (i.e. everything covered under Florida Statute 718.111(11)(f)) have the option to pursue legal action against the negligent homeowner.